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2020-06-24

Khmelnitskaya , M 2020 , ' Policy and Governance in Russia: Ideas and Discourses in Social Policymaking and Governance ' , Russian Analytical Digest , vol. 254 , pp. 2-6 . https://doi.org/10.3929/ethz-b-00042

http://hdl.handle.net/10138/326056
https://doi.org/10.3929/ethz-b-000421074

publishedVersion

Social Issues

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Publication Date:
2020-06-24

Permanent Link:

https://doi.org/10.3929/ethz-b-000421074 →

No. 254 24 June 2020

www.css.ethz.ch/en/publications/rad.html

SOCIAL ISSUES

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ANALYSIS

Policy and Governance in Russia: Ideas and Discourses in Social Policymaking and Governance

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DOI: 10.3929/ethz-b-000421074

Abstract:
The article focusses on policy ideas as explanatory variables for understanding policymaking and governance in Russia. Following Schmidt's definition of the ideational process as a 'discourse' in which actors promote their preferred policy ideas in competition with their opponents, the article argues that in Russia the character of discourses varies between three state levels: the President, ministerial bureaucracy and the regional & local levels. This variegated landscape of policy discourses involves the intensive communicative discourse of the Russian President, which seeks legitimation of main policy approaches with the public and provides signals for the lower level officials. The middle level of policy bureaucracy is characterised by a vigorous coordinative discourse in which officials and non-state experts defend their ideas and seek agreement on policy details. Finally, at the local level political communication and technical coordination of policy ideas coexist and involve, apart from the officials and experts, members of the public. The benefit of the ideas-based perspective on policy and governance in Russia is that it allows not only tracing the origins and evolution of various policy initiatives, but also seeing the sources of presidential popularity and regime flexibility associated with the accommodation of different ideational positions. The argument is illustrated with examples of policymaking in the social sphere, the Maternity Capital programme and the Moscow programme of housing renovation.

The Power of Ideas

Ideas are treated as important independent variables in the public policy, comparative politics, and political economy literatures (Beland and Cox 2010). Yet, they are drawn upon less frequently for the analysis of Russian politics. The reason for this may be that ideas often erroneously appear as unconnected to actors' interests. Because of this, ideas as explanatory variables can be treated as too soft to be factors in motivating actors' behaviour in the context of Russia. Take the current example of President Putin seeking to amend the Constitution to allow him to continue in office. Ideas may appear hardly influential in the context of authoritarian leaders wishing to preserve their power. Nonetheless, comparative scholars working with ideas argue that actors' motivations are complex and multidimensional and involve material and non-material components (Berman 2013). In this perspective, ideas are not objective facts but are historical, social and political constructs. Therefore, actors' motivations comprise the calculation of their utility within a given institutional setting, and their policy-specific beliefs. The former can be referred to as institutionally determined ideas, and the latter as policy ideas.

We can bring these insights to bear on the problem of policy and governance in Russia. In a non-democratic system, success in policy is important as the basis for political legitimacy. In Russia as elsewhere, the policy process and governance involve a wide range of actors working at different levels of the state hierarchy. Besides the political leadership, these include state officials and non-state experts from research institutes and academia, whose contribution to policymaking has been encouraged in Russia since the Soviet period. In addition, following a more recent trend in public administration, also promoted is the participation of other civil society actors—citizens groups, councils, committees and NGOs—to assist the development and implementation of policy at different state levels, from federal to local.

The motivations of these diverse state and societal actors involve ideas about how different policy issues should be addressed and problems tackled. They also include actors' understandings about how to survive and thrive in a given institutional position. The Russian President's motivations in the policy process, while involving a wish for the preservation of power, include specific policy beliefs, noted by existing research, such as fiscal conservatism, concern for demographic issues, and the belief in the strong state. State officials at lower levels may be after the preservation of their rents and privileges, while at the same time they also hold preferences for specific policy solutions and approaches. As to civil society actors, in Russia as in other nondemocracies, their contribution to policy and governance is controlled and limited, and the links to state structures are key for them to have any influence. Yet, these actors feel that they can make a difference, often for the most vulnerable social groups.

How do actors promote their preferred institutional and policy ideas? Vivien Schmid (2008) defines the process of conveying, adopting and adapting ideas by actors in interaction with their opponents as *discourse*. Actors explain policy, usually to the public, to generate support for their policies in a *communicative* discourse. They also defend their ideas and seek agreement on policies with other policy actors in a *coordinative* discourse. In the Russian context, where policy outputs are an important source of the overall regime legitimacy, both intensive policy communication and vigorous coordination coexist. These processes vary between three levels: the top level of the presidency, the middle level of the federal government and the regional & local level.

Below, I illustrate how policy ideas are communicated and coordinated by different actors in Russia, focussing on the three levels of government and using evidence from the social policy sphere. The benefit of this perspective is that by looking at the origins of policies and their evolution, it allows us to see the sources of the systems' flexibility associated with the accommodation of different ideational positions, as well as the mechanism for preserving the president's popularity.

The Top Level

At the top level, we find an active communicative discourse explaining policy to the public and giving cues to the officials at lower levels. To examine this discourse, we may usefully look at the annual addresses of the Russian president to the national parliament.[1] During his first two terms in office, President Putin proclaimed social policy to be among key priorities for policy reforms. This was a popular policy focus as people at the time connected their greatest anxieties to the failures of social provision, healthcare as well as the economy.[2] Putin's communication explained the necessity and usefulness of his preferred neoliberal reform approach in this area. This approach included introducing means-testing of social provision and individuals taking greater responsibility for their own welfare, which would improve service quality and reduce budget costs. The president contrasted these advantages with the wasteful, inequitable and poor-quality social provision under the Soviet model.

Concern for the demographic situation became an important part of the President's discourse. The historically decreasing birth rates in Russia were exacerbated by the transition recession in the 1990s (see Denisenko 2013) and were defined as a threat to Russia's development and state security in the 2005 presidential address. These priorities were translated into specific social policy instruments put forward by Putin in his communicative discourse: the introduction of the insurance principle in healthcare and the reliance on personal saving and mortgage finance in housing.

During the financial crisis of 2008, which coincided with Dmitry Medvedev's presidency (2008–2012), the role of the state in providing a safety net to the citizens was emphasised. Effective social policy, President Medvedev argued, was the basis for economic and technological modernisation, his preferred policy ideas. Yet, the overall belief in the neoliberal approach to welfare reform never waned. During Putin's third and fourth presidential terms, his pursuit of popularity led him to appeal to conservative values, prevalent among a significant part of society[3] which conflated in his communicative discourse with his belief in the strong state. Thus, the new emphasis on traditional family values and a strong Russian state merged with the earlier neoliberal focus on personal responsibility for individual and family welfare. In this way, individual responsibility for one's personal and the nation's wellbeing became interlinked. Yet in parallel, the loyalty to the neoliberal agenda in social policy could be seen in the encouragement of NGOs as social service providers and the use of consultations and participation to solve local conflicts, such as those in the area of territorial development.

The Maternity Capital (MC) programme originally introduced in the presidential address in 2006 deserves attention because this policy blended the central ideas of Vladimir Putin's presidency for social policy: neoliberalism, concern for demography and traditional values in a single initiative. This much-discussed policy was described as the largest expansion of the Russian welfare state since the Soviet period (Cook 2011). Its roots in the traditional understanding of women's role in family and society are also underscored in the literature (see Hornke 2020). The policy offered a large monetary benefit to every mother who had a second child. The money could be invested in pension savings, housing purchases with the help of mortgage credit or a child's education. Housing became the most common usage of this benefit. Around 5 million of the 9 million maternity cap-

1 http://www.kremlin.ru/, the search term *poslanie*, accessed March 2020.

2 See for instance: https://www.levada.ru/2019/10/29/sotsiologi-nazvali-glavnye-strahi-rossiyan/ accessed 20 November 2019.

3 For example, the World Value Survey Wave 6 (2010–2014) demonstrates that a notably larger proportion of the Russians had anti-gay attitudes (66.2%), compared to 39.6% in Poland, 22.4% in Germany and 20.4% in the US. Available at http://www.worldvaluessurvey.org/WVSOnline.jsp accessed March 2020. The survey for Russia was taken in 2011, i.e. prior to President Putin's turn to the conservative values rhetoric

ital certificates issued by 2018 were invested in housing. 3.3 million were used to take out a mortgage loan.[4] The inclusion of the pension savings and housing investment options demonstrates that the programme was designed to promote fertility in a very neoliberal way: specifically aiming to create the source of long-term funding badly lacking in the financial sector, popularise mortgage borrowing, saving behaviour and investment. The origins of many of such policy details within the policy bureaucracy are apparent, as also shown below. In this context, policy experts elaborated policy details rather than altered core policy ideas held by the President.

The Middle Level

The translation of top-level ideas into specific policy measures takes place at the middle level. This involves a process of policy coordination of institutionally determined and policy-related ideas held by ministerial officials and experts. The chief executive also participates in this process but less overtly. The policy coordination surrounding the evolution of the MC programme offers one example.

Two groups of expert and bureaucratic opinion regarding the MC policy were formed. The first group, which centred around the social bloc ministries, including the ministries of Health, Labour and Social Protection, and Housing, considered the policy an important channel to support fertility and improve housing conditions for millions of households. While it pointed to certain limitations of the program, particularly the increased chances of poverty among families who took out a mortgage, the research of this expert community highlighted that access to housing—an important part of social capabilities and family wealth—has improved (e.g. Grishina and Tsatsura 2018). Meanwhile, fertility rates increased from 1.1 children per woman in 2000 to 1.7 per woman in 2015.[5]

Another expert community linked to the Ministry of Economy, although not denying the acute nature of the Russian demographic concerns, argued that MC was hardly responsible for the increase in births. These were instead attributed to economic growth and, more importantly, the fact that a larger cohort of women entered child-bearing age in the early-2000s while the slowdown in births in the late 2010s (to 1.5 per woman in 2018)[6] was linked to the cyclical reduction of women in the fertile age bracket. Besides, it was noted that in many cases the policy encouraged families to shift the birth calendar forward rather than incentivise 'additional' children in families. Following this logic families decided to have their planned second child earlier than they would have, thanks to the programme. Instead of the costly, non-means-tested MC, this community advocated the introduction of smart benefits for families following European practises in this regard (e.g. Kuzminov et al 2015).

The competition between the two viewpoints affected the evolution of the MC scheme. For instance, policy coordination among the two groups was key in deciding the priorities for the critical 2017 budget (Khmelnitskaya 2017). At the time, MC continued to be funded in the budget as advocated by the social bloc of the government, yet its indexation according to inflation was foregone to meet the position of the fiscally conservative part of the government and the associated experts.

Further, in 2018, an element of means-testing was introduced when small monthly amounts for everyday needs were allowed to be paid out from the large MC benefit to families falling below a certain income threshold after the birth of their second child.[7] This option echoed the argument of the first community about the increased chances of poverty among families with children and the burden of mortgage repayments, while also taking on board the proposals of the second community about the need for means-testing.

The President's role in this policy coordination process was felt indirectly. For instance, the President refrained from mentioning the MC in the 2017 address to the nation when the policy could have been discontinued due to budget pressures. At the same time, President Putin reiterated his commitment to the demographic agenda in his inaugural presidential decree from May 2018. He also announced personally several further developments of the MC scheme, including the introduction of additional lump-sum benefits to families who had their *third* or subsequent children for the repayment of their mortgage loans taken out earlier (address to parliament February 2019) and the extension of the MC programme to first births in the January 2020 address. The latter announcements could again be seen as referencing advice from the first community about the higher risks of poverty among young families when they take out mortgage loans. The decisions also reflect the advice of the second community about the shift forward in birth calendars, and the concern of all experts who observed the reduction in birth-rates and, particularly, in first births since 2016. These announcements were also a way for the President to make popular political statements, as

4 Pension Fund of Russia (*PFRF*), *V Moskve proshlo rasshirennoe zasedanie pravleniya PFR*, 11 December 2018, available at http://www.pfrf.ru/press_center/~2018/12/11/172366, accessed 13 December 2019.

5 See Rosstat, https://www.gks.ru/folder/12781, Table: *Summarniy koefitzient rozhdaemosti*, accessed April 2020.

6 *Ibid*

7 Federal Law N 418-FZ, from 28 December 2017, https://rg.ru/2017/12/29/fz418-site-dok.html accessed April 2020.

opinion polls demonstrate that an increasing number of Russians consider larger family size as more desirable.[8]

The Local Level

Finally, the local level displays a mix of communicative and coordinative discourses. Here we can identify the 'official' communication by regional leaders and local officials that echoes the slogans and messages put forward by the President. For instance, this relates to the promotion of public participation in local matters and the involvement of civil society organisations in local governance, particularly territorial development. Policymaking taking place at the local level, at the same time, involves a similar coordinative discourse featuring institutionally determined and policy ideas, held by officials and experts, observed at the federal level. Yet, the coordinative discourse at this level can also involve a contribution from civil society groups and the mobilised public. Local officials keen to underscore the participatory nature of local governance in their territories reference instances of such consultations in their political communication.

To illustrate this dynamic I draw on the example of the programme of housing renovation introduced in Moscow in 2017. Urban development in Moscow was the most contentious issue under the previous mayor Yuriy Luzhkov. Allegations of industry influence and corruption concerning the process of 'chaotic urbanisation' and 'pinpoint construction' in the city were widespread. Protests against these by Muscovites were frequent and bitter (e.g. Greene 2014). House prices in Moscow were least affordable compared with the rest of the country. Luzhkov was dismissed by President Medvedev in 2010 and replaced with Sergei Sobyanin.

The new mayor's communicative discourse followed that of the President's about the greater openness of local governance to participation by local communities. He was assisted in this by new appointments in the Moscow city administration and advice from a new think tank for urban development and design, the *Strelka* Institute. Yet, the key issue for the city development—providing affordable housing for Muscovites and an opportunity for the construction industry to make profits—was solved based on the ideas of one part of the expert-bureaucratic community. This involved the proposal to extend the official city boundaries to the South-West. The decision was implemented in 2011 by President Medvedev's decree. Plans to develop new technological clusters in the 'New Moscow' aligned with Medvedev's beliefs in modernisation. Muscovites, despite the 'consultative turn' in city governance, were not consulted on this issue and were less than keen on moving to vast new territories.

The redevelopment of land within the old city borders was a competing idea of another expert-bureaucratic community. Following quick disappointment with the 'New Moscow' idea, the proposals about city densification started being developed by the city planning department in the mid-2010s. The plan for the renovation of Moscow districts containing old low-rise '*khrushchevki*' buildings and rehousing of their residents was presented to the public in February 2017. The programme was presented to Muscovites as a response to public requests to help *khrushchevki* residents be rehoused into better accommodation during a meeting with municipal deputies in early February. Yet, protests sprang up immediately after the announcement. There was a lack of clarity in the programme's criteria and in the terms of rehousing options offered. Importantly the belief that Muscovites 'owned' the city and their *khrushchevki* districts (see Reid 2019) rather than the team of city officials were key points which in the end united the public against the programme.

The city administration attempted to use bureaucratic-expert coordination to offer the public a more acceptable version of renovation in early spring 2017. Yet, that failed spectacularly as the protests only intensified culminating in mid-May with the largest demonstration on 14 May. As a result city officials had to open the coordinative discourse to the beliefs and ideas of the Muscovites. This was done in the form of online voting for or against the inclusion of individual buildings in the programme, public hearings at the State Duma, and the formation of a working group at the Duma including representatives of the mobilised Muscovites and those Duma deputies with experience in dealing with housing issues. These actions allowed significant improvement and clarification in rehousing conditions for those who agreed to be rehoused by the programme.

The Law on Renovation was finally signed by Putin in July 2017 and implementation began in August of that year. Later the city administration in its political communication lauded the consultation with the public, which as this account shows was forced upon the administration during spring 2017, as exemplar of its participatory urban development strategy.[9]

The coordination with the public could be interpreted as only a minor corrective to an otherwise bureaucratic-expert dominated process, which was really about the competition between two ideas of urban expansion and urban densification. We nonetheless regard this coordination as important because it significantly changed the

8 Vnuki v defitzite, *Ogoniok*, N 43, 05 November 2019, available at https://www.kommersant.ru/doc/4142388, accessed April 2020.

9 See for instance: https://www.mos.ru/city/projects/renovation/ accessed September 2019

terms of the renovation programme itself and reasserted the public's 'right to the city' in the relations between Muscovites and the city administration. The polls suggest that the public generally (74%) approved the city's renovation plans.[10]

Conclusion

Ideas are important explanatory variables in political science and there is little ground to ignore their influence in Russian politics and governance. Ideas, interpreted as a discourse differentiated between three state and administrative levels, help us not only to perceive the origins and changes of one or another policy programme or understand how the President's popularity is constructed through popular but vague messages and shielded from the attribution of failures over specific policy details. The focus on ideas also reveals the flexibility of governance in Russia with the cues to lower-level officials in the presidential communicative discourse guiding policy at the lower levels, yet, leaving space for interpretation and importantly for the contribution to policy from the ideas and beliefs of other state and non-state actors, including experts, NGOs and public groups. This demonstrates how policy outputs, associated with political legitimacy, are achieved, and how different actors are bound to the political system through the accommodation of their ideas in policymaking.

The current response to Covid-19 as expressed by President Putin in his address on 2 April 2020—although criticised for not spelling out a clearer national strategy for dealing with the virus outbreak—follows the model offered above. It allows for flexible local governance of the crisis including the input from diverse actors and competing ideas.

About the Author

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Funding

Research for this article was conducted as part of the Centre of Excellence in Russian Studies "Choices of Russian Modernisation" funded by the Academy of Finland, and hosted by the Aleksanteri Institute, University of Helsinki.

10 *Moskvich o problemakh goroda*, 30 May 2019, *Levada Tsentr*, available at https://www.levada.ru/2019/05/30/moskvichi-o-problemah-goroda/ accessed October 2019

ANALYSIS

Business-State Relations and the Role of Corporate Social Responsibility in Russia's Regions

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DOI: 10.3929/ethz-b-000421074

Abstract

In Russia's regions, companies closely collaborate with state administrations in the field of corporate social responsibility (CSR). Different forms of interaction have emerged, including the so-called "socio-economic cooperation agreements" (SECAs). These agreements between business actors and governors define mutual responsibilities with regard to regional development and regulate the companies' social and ecological investments in their territories of presence. In addition, business and state actors collaborate in joint investment projects, public-private partnerships, working groups and charity activities. Business-state collaboration is characterized by interdependence: companies need licenses and administrative support for business operations, while state actors seek additional financing for welfare provision and regional infrastructure. For companies, CSR has become an important tool to institutionalize their charity activities and determine their social obligations towards the state.

CSR in Russia

The debates about corporate social responsibility (CSR) have reached Russia, as Russian companies are increasingly operating on international markets and have become part of global value chains. A growing number of large corporations in Russia participate in CSR networks such as the United Nations Global Compact Initiative and the Global Reporting Initiative. At the national level, the Russian Union of Industrialists and Entrepreneurs (RSPP) plays an important role in supporting its member companies to introduce CSR programs and reporting.

The adoption of CSR practices in Russia is shaped by the institutional context. Particularly in regions where industrial plants are located, Russian companies rely on Soviet and pre-Soviet traditions of responsibility and corporate charity. In addition to these path-dependent developments, one can observe increasing pressures from international customers who oblige export-oriented Russian companies to comply with human rights and ecological standards. Russian-style CSR has thus developed in the interplay of national and international factors. This raises the question of how global CSR practices are adopted and implemented in Russia's regions and what importance they have for business-state relations.

The Russian state needs close cooperation with the economy to meet welfare needs and to adhere to environmental standards. Business actors, in turn, are dependent on state support as they need infrastructure and licenses for production. This interdependence is apparent at all levels of the state hierarchy, but especially at the regional level where state administrations are heavily dependent on the few large corporations that are present in the region. Both sides put efforts into systematizing and formalizing the traditionally highly informal relationship between state and business. We therefore investigate how state and business actors work together in the field of CSR in Russia's regions.

In this contribution, we first look into the different forms of business-state cooperation and the decision-making mechanisms which have emerged in this sphere. We then discuss the contribution of companies to the social and ecological development and the role of civil society in Russia's regions, before we conclude with summarizing the main motivations of Russian companies for their commitment in the field of CSR.

Interdependence Between State and Business

Relations between state and business actors in Russia can be described as highly interdependent (Yakovlev 2006). Although the state plays a leading role within the increasingly authoritarian regime, the relationship between the actors is not one-sided. Given the scarcity of resources, especially at the regional level, state actors heavily rely on the financial support and the socio-political capacities of companies. In this way, an exchange of resources takes place in which both sides are interested (Kononenko and Moshes 2011).

Russian companies act as socially responsible actors in cooperation with the state and have established themselves as solid partners of regional and municipal authorities. By doing this, they safeguard their own economic interests vis-à-vis the state, secure necessary licenses for production and avoid possible sanctions, which can become crucial for their economic survival in a political regime which is characterized by a limited rule of law and restricted property rights (Markus 2015). Moreover, the

cooperation with regional administrations gives companies an opportunity to participate in decision-making processes regarding the socio-economic development in the regions where their production sites are located. The coordination of social and ecological activities with the authorities is an important part of the companies' government relations (GR activities). It enables companies to access administrative and other state resources and has recently become increasingly systematized and institutionalized (Fifka and Pobizhan 2014).

Forms of Business-State Cooperation

Since there has been no legislation in the area of CSR in Russia, the interaction between state and business actors mainly develops according to informal rules (Ledeneva 2013). Nevertheless, business-state collaboration has obtained a certain degree of institutionalization. One can distinguish between four forms of cooperation: 1) socio-economic development agreements between companies and regional or local administrations, the so-called SECAs; 2) joint social investments projects and public-private partnerships (PPP); 3) working groups, committees and other consultative mechanisms with the participation of company representatives and state actors; 4) informal collaboration, including personal interactions between company representatives and regional decision-makers as well as corporate charity projects and ad-hoc requests for financial support from the side of state institutions.

First, the SECAs are a relatively strongly institutionalized form of cooperation between the state and business (Kurbatova and Trofimova 2015). The agreements are usually concluded for a period of three to five years and are accompanied by additional annual contracts which list specific projects and fixed expenditures of the companies for road and bridge construction, maintenance and development of social infrastructure as well as long-term sponsorships of sport, culture and education in the region. In the agreements, both sides commit to mutual support. Companies are assured of removing administrative barriers and receiving state subsidies, tax reductions and bureaucracy relief for investment projects. In return, regional and local administrations receive large amounts of financial aid from companies to fulfil their social-political tasks.

The second form of cooperation are joint projects between large companies and the state. These projects are either realized within the framework of SECAs or on a separate contractual basis. The latter applies to companies that do not conclude long-term social economic development agreements with the authorities. The subject areas of joint projects essentially correspond to the projects listed in the SECAs. The substantial difference is that state support in this context is limited to the specific objective of a single project. Potential state support for the general economic activity of a company in the region only takes place on an informal basis.

Third, participation in committees and working groups is another, more informal form of cooperation between state and business. On the one hand, company representatives take part in the councils and committees of regional ministries or public chambers where they can make proposals for government expenditures in the respective subject areas. On the other hand, state actors are involved as experts in the selection procedures of the grant competition programs for social organizations and municipal institutions, organized by large corporations. Compared to the above mentioned agreements and joint projects, this type of cooperation is far less binding for both sides and mainly serves the purpose of information exchange.

Fourth, another weakly institutionalized form of cooperation are ad-hoc requests from regional and municipal administrations. Companies are sometimes asked by the authorities to directly participate in the financing of repair and construction works in social institutions, to provide funding for the organization of public events or to support social organizations or individuals, for example in case of medical emergencies. By providing assistance, companies demonstrate loyalty to the authorities and maintain channels of informal communication with state officials, which can in turn be used for settling conflicts and safeguarding their business interests. However, this highly informal ad-hoc interaction also paves the way for excessive state demands and creates additional costs that affect the companies' long-term financial planning in the regions.

Companies' Contribution to Regional Development

In addition to cooperation with state authorities in social matters, Russian companies have developed their own CSR programs which are largely independent of the state. Some companies have also established corporate foundations which are responsible for implementing social programs and grant competitions (Krasnopolskaya 2020). The companies' priorities lie in the regions or cities where their production sites are located, the so-called "territories of presence." Sometimes, cities and small industrial towns fully depend on one large company and are therefore called "monocities" (Crowley 2016). The geographical focus of many CSR programs is also reflected in their name. The oil company GazpromNeft, for example, calls its CSR program "Hometowns", while the metallurgic company Rusal speaks about the "Territories of Rusal". Other companies focus on the philanthropic character of their CSR activities, such as the chemical company Sibur with the "Formula of Good Deeds" program.

In recent years, many Russian corporations have started to institutionalize their CSR programs in order to achieve greater uniformity across different production sites and territories of presence. One can observe a general trend from corporate charity to systematic CSR programs. Already existing activities are often integrated in one nation-wide umbrella program. Russian companies increasingly orientate themselves towards international CSR standards and embrace global developments such as the United Nations Sustainability Agenda or the concept of social investments. Important CSR promoters in Russia are the business association RSPP, which has been supporting the introduction of CSR reporting among its member companies since 2012, and the Russian Association of Managers, which offers training for professionals and organizes community building events. International trends are becoming increasingly important in Russia, as companies operating on international markets are obliged by their customers or investors to comply with global CSR standards. At the regional level, mixed forms of CSR have emerged, whereby new CSR programs are often linked to Soviet and pre-Soviet traditions of corporate charity and responsibility (Crotty, 2016). The introduction of corporate volunteering programs, for example, has led to a revival of the Soviet tradition of "subbotniks" during which employees are asked to engage in voluntary work on their free Saturdays.

One of the reasons for companies to systematize their CSR programs and formalize their cooperation with the state is to protect themselves from increased demands and state encroachments. A legacy of the Soviet planned economy is that both state actors and local populations have high expectations of social responsibility, especially with regard to regionally based companies. These expectations result from the Soviet economic structure where local plants were fully responsible for providing welfare to their employees and the local populations. Until today, the so-called "town-forming enterprises" ("gradoobrazuiushchie predpriiatiia") are expected to support social institutions in their territories, such as clinics, schools and kindergartens (Popova 2018). The formalization and (most importantly) the fixation of mutual obligations in the SECAs define the limits of the companies' social investments and their financial and infrastructural participation in the social development of their territories of presence. In this way, Russian companies have strengthened their position in the relationship with the state. They have limited the scope of ad hoc requests from the authorities and developed their cooperation with regional administrations from a traditional role as social welfare provider, known from Soviet times, to developing social investments, associated with long-term planning and fixed role assignment for both sides.

What Role for Civil Society?

Scholars assume that companies have developed CSR in response to the pressures of civil society (Gjolberg, 2009). In present-day Russia, however, the role of organized civil society is very restricted. Most organizations are too weak to take on the much more influential companies. Moreover, there is largely no critical public in Russia which is able to hold business actors accountable for potential social or ecological damage and grievances. In recent years, however, important changes have been emerging in Russia. Environmental protests have been increasing in Russia's regions, e.g. against air pollution or waste disposal sites (Arnold 2019). A number of Russian nonprofit organizations (NPOs) have successfully taken action against companies and achieved compliance with stricter environmental regulations at the local level. In addition, the demands on companies in their role as employers and producers are growing, as local employees, clients and residents in Russia's regions demand good working and living conditions. Companies thus cannot anymore neglect the concerns of the local population, especially in remote regions where it is difficult for them to attract highly skilled professionals for industrial production. Overall, however, Russian NPOs so far have remained weak. In the regions and especially in the so-called monocities, the local population is heavily dependent on the town-forming enterprises and therefore has little opportunity for critical control.

Conclusions: Why Do Companies Engage in CSR?

CSR is a relatively new phenomenon in Russia's authoritarian capitalism, largely shaped by the growing integration of Russian companies into global markets and the associated pressures from international costumers. However, in the form of social responsibility for employees and local population, Russian-style CSR is strongly connected to the Soviet understanding of industrial plants as local welfare providers. In this path-dependent role, today's companies in Russia assume responsibility for securing welfare at the local level, e.g. by supporting social institutions, closely collaborating with regional authorities and engaging in corporate charity. In developing CSR, the Russian state remains the central focal point for Russian companies as they need to prove their loyalty to the authorities and simultaneously protect their economic autonomy. In this complex relationship with the Russian state, CSR has become an important tool for companies, as it enables them to institutionalize their activities and thereby define their social obligations towards the state.

Please find information about the authors, acknowledgements, and a list of references overleaf.

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Acknowledgements
This article is part of the research project "Variations of Governance in Hybrid Regimes: Business, State and Civil Society in Russia" led by Katharina Bluhm, Sabine Kropp and Claudius Wagemann and funded by the German Research Foundation (DFG).

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Editors: Stephen Aris, Matthias Neumann, Robert Orttung, Jeronim Perović, Heiko Pleines, Hans-Henning Schröder, Aglaya Snetkov
Layout: Cengiz Kibaroglu, Matthias Neumann, Michael Clemens
ISSN 1863-0421 © 2020 by Forschungsstelle Osteuropa an der Universität Bremen, Bremen and Center for Security Studies, Zürich
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